



2 Top TSX Stocks That Could Double Your Wealth

Description

Growth stocks have taken a severe beating in the last few months thanks to fast-rising interest rates. Tech names have been badly floundered, while energy stocks have notably multiplied investors' wealth this year. Nevertheless, here are two TSX stocks that offer handsome growth potential for the long term.

Vermilion Energy

As this quarterly earnings season unfolds, a few more TSX energy stocks have started looking attractive. **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)) is one such interesting name. Its first-quarter earnings saw massive earnings expansion and free cash flow growth due to higher oil and gas prices. Notably, VET stock has been up 165% since last year. In addition, its recent superior quarterly performance might open up more upside for the future.

A capital discipline has been the highlight for energy producers all this while. Vermilion, too, deployed a large portion of its free cash flows towards debt repayments. Rapidly declining debt and growing earnings will likely push the stock further higher.

VET reinstated its shareholder dividends in the last quarter with a \$0.06 per share payout. Though it yields a trivial 1% at the moment, it still has a lot of room to grow its dividends. So, if strength in oil prices persists, VET could continue to outperform.

Interestingly, despite its steep rally, VET stock is trading at an attractive valuation. It is currently trading below five times its earnings, which is way lower than its peers' average. This indicates a huge upside potential amid the rising energy prices.

Also, with a large portion of Russian oil probably going out of the market, [crude oil](#) might continue to climb higher. The world is already short of oil, and a shock on the supply side will likely push the prices higher.

BRP

Another TSX growth stock that could unlock meaningful shareholder value in the long term is **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)). In early March, the Powersports vehicle maker saw a solid break out, notably outperforming peer growth stocks.

As travel and discretionary spending gain steam post-pandemic, BRP could see even higher demand for its products. BRP is an \$8 billion company that makes popular brands like Ski-Doo and Sea-Doo. It has a presence in more than 130 countries and has a leading market share in niche markets.

BRP [reported](#) total revenues of \$7.65 billion for the fiscal year 2022, a notable increase of 29% year over year. In addition, the management expects strong revenue growth across all its product segments, ranging from 24% to 29% for the fiscal year 2023.

In the last five years, BRP saw its revenues increase by 13% CAGR and net income expand by a handsome 31% CAGR. This financial growth seeped into its market performance, returning nearly 170% in the same period.

BRP could see more value unlocking with its top-notch product base and re-openings of economies. Interestingly, the stock is trading 10 times its earnings and looks undervalued at the moment.

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3. TSX:DOO (BRP Inc.)
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Date

2025/08/18

Date Created

2022/05/16

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